

CWA Testimony  
House Energy & Technology Committee  
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The Communications Workers of America is currently opposed to SB636. Our position has remained the same and has not changed even with the Amendments that were added in the S2 substitute. We are in agreement with the AARP and other consumer advocacy groups that this Bill does nothing to ensure consumers will continue to have access to reliable phone service.

We believe that the bill even with the amendments that were added last Friday afternoon still takes away too much authority from the State Commission to determine competitiveness and assuring availability of reliable phone services. The burden of requesting an investigation after either the discontinuation of service has occurred or notice has been filed would unfairly fall on consumers. Consumers expect our state regulatory agency to be ahead of these concerns and be addressing any issue that would or could impact their ability to maintain basic reliable phone service. "Dial Tone" still is considered by consumers as a Utility and relies on its services no differently then power or heat. Especially the elderly and disabled in our communities. Shifting the responsibilities of policing the advocacy of reliable phone services throughout the state directly on the consumer themselves is improper and burdensome.

Recent amendments added last week do not really change the concerns regarding the determination of "reliable service". Ultimately the incumbent local exchange carrier may only be required to provide what it has determined to be "reliable service". Currently traditional landline service is without a doubt the most reliable service available to consumers in Michigan. This system is not susceptible to service disruptions caused by storms and other acts of nature that would impact electrical services. Wireless and VOIP services are subject to power outages and network availability. The availability of 911 services during an outage should be of major concern to the legislature. Furthermore home monitoring devices such as Life Alert & Med Alert are not as reliable when used over VoIP platforms. And some providers of such services actually advocate that customers use standard landline phone services when utilizing their products because of the "reliability" of the traditional network. There also has been concern expressed over the reliability when utilizing other devices such as pacemakers and law enforcement tethering devices.

Consumers will have less possibilities of gaining access to a Broad Band network if incumbent providers choose not to invest in the infrastructure that would make IP services available in rural areas. These types of decisions have direct impact on our members and their jobs, as well as consumers' ability to gain access to Broad Band. It is the incumbents who have the resources to make and expand the Broad band network in rural areas. Under this legislation it would make it easier for incumbents to sell off these

areas to small companies that will not have the resources to invest in the infrastructure therefore limiting the access of Broad Band in those areas.

We know that it has been discussed that traditional land line service has decreased by 70% over the last 12 years. That being said we still have over 2.5 million consumers in Michigan who rely on traditional Landline service. Shouldn't the legislature be concerned with these consumers? The vast majority of these consumers are in rural areas where incumbents have not made the decision to invest in IP Based Platform. These consumers have limited options in these areas and the commitment to make the investment on behalf of these consumers in these rural areas has not been made.

Recently a spokesperson for an incumbent provider, which has asked for the changes to the Telecom Act, stated that "It's going to happen whenever the FCC makes sure that all of these safeguards are in place and that people have access to what they need". The FCC hasn't figured out how to do that yet. By January it hopes to have a plan for conducting experiments and gathering data on how to best transition the nations networks toward IP based communications". CWA would ask why we are addressing the need for changes in our regulatory structures that include eliminating the authority of the MPSC and granting oversight solely to the FCC on these issues if the FCC has yet to set forth a procedure on how to handle the transitions of IP based communications. Isn't that a "putting the cart in front of the horse" way of thinking?

According to a recent Bloomberg report the FCC has yet to make a decision as to what VOIP is and whether it is an "information" or "telecommunications" service. It went on to report that according to an industry source "internet traffic was designed to flow in "best efforts universe" and that the problem comes when you start to compare "internet traffic and traditional voice traffic". One of the recommendations to the FCC was to determine, once and for all, the regulatory status of VOIP and other Ip based services; warning that until the agency does so, "questions about the responsibility for ensuring that communications services remaining safe, reliable and ubiquitously available will remain unanswered.

If the FCC has yet to make a determination on the regulatory requirements of VOIP and IP based service and how they apply to "information" vs. "communications" services; then why are we changing Legislation in Michigan, to remove the authority of our Michigan Public Service Commission to act in the best interest of Michigan Consumers?

Sincerely

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